

**TOWN OF CHENEYVILLE
CHENEYVILLE, LOUISIANA**

**AUDITOR'S REPORT
JUNE 30, 2014**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Derrick Johnson, Mayor
and Members of the Town Council
Town of Cheneyville
Cheneyville, Louisiana

Report on Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities of the Town of Cheneyville, Louisiana, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cheneyville, Louisiana, as of June 30, 2014, and

the respective changes in financial position and cash flows, where applicable, therefore for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 33, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the financial information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

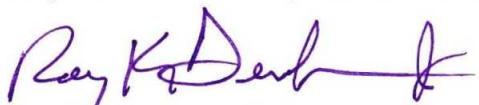
Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Other Information

My audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of Cheneyville, Louisiana's basic financial statements. The other supplementary information on pages 35 and 36 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, if fairly presented in all material respects in relation to the basic financial information taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated December 30, 2014, on my consideration of the Town of Cheneyville, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.



Roy K. Derbonne, Jr.
Certified Public Accountant

Alexandria, Louisiana
December 30, 2014

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

TOWN OF CHENEYVILLE, LOUISIANA

STATEMENT OF NET POSITION

JUNE 30, 2014

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Cash Equivalents	\$ 33,676	\$ 21,925	\$ 55,601
Cash - Restricted	137	32,992	33,129
Investments - Restricted	-	83,008	83,008
Receivables, net	13,539	37,805	51,344
Due from other governmental units	17,557	-	17,557
Due from/to other funds	265,780	15,989	281,769
Prepaid Assets	1,200	-	1,200
Capital assets			
Nondepreciable assets	27,906	45,323	73,229
Depreciable assets, net	765,231	2,578,133	3,343,364
TOTAL ASSETS	1,125,026	2,815,175	3,940,201
LIABILITIES			
LIABILITIES			
Accounts Payable	12,922	19,256	32,178
Accrued Interest Payable	-	834	834
Accrued Payroll Deductions	2,163	-	2,163
Due to Other Funds	1,713	280,056	281,769
Customer's Deposits Payable	-	58,940	58,940
Current Portion of Long-Term Debt	-	18,852	18,852
Long-Term Portion of Debt	-	918,216	918,216
TOTAL LIABILITIES	16,798	1,296,154	1,312,952
NET POSITION			
Investment in capital assets, net of related debt	793,137	1,686,388	2,479,525
Restricted for:			
Capital Improvements	137	-	137
Debt service	-	937,068	937,068
Unrestricted	314,954	(1,104,435)	(789,481)
TOTAL NET POSITION	\$ 1,108,228	\$ 1,519,021	\$ 2,627,249

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

STATEMENT OF ACTIVITIES

JUNE 30, 2014

ACTIVITIES	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUES AND CHANGES IN NET ASSETS		TOTAL
		FEES, FINES, AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
Governmental activities							
General government	\$ 117,099	\$ -	\$ 9,660	\$ -	\$ (107,439)	\$ -	\$ (107,439)
Police Protection	208,306	218,641	-	22,069	32,404	-	32,404
Streets and Sanitation	219,451	49,707	-	12,000	(157,744)	-	(157,744)
Recreation	3,977	-	-	-	(3,977)	-	(3,977)
Total current assets	548,833	268,348	9,660	34,069	(236,756)	-	(236,756)
Business-type activities							
Sewer	227,857	94,191	-	-	-	(133,666)	(133,666)
Water	254,608	173,624	-	-	-	(80,984)	(80,984)
Total Business-Type Activities	482,465	267,815	-	-	-	(214,650)	(214,650)
TOTAL	<u>\$ 1,031,298</u>	<u>\$ 536,163</u>	<u>\$ 9,660</u>	<u>\$ 34,069</u>	<u>(236,756)</u>	<u>(214,650)</u>	<u>(451,406)</u>
General revenues:							
Taxes							
Property							
					11,806	-	11,806
Sales and use tax					245,911	-	245,911
Interest					26	79	105
Licenses and Permits					24,656	-	24,656
Utility Franchise Fees					26,917	-	26,917
Rent					9,885	-	9,885
Miscellaneous					10,916	-	10,916
Total General Revenues					330,117	79	330,196
Change in net assets					93,361	(214,571)	(121,210)
Net Position, Beginning					1,014,867	1,733,592	2,748,459
Net Position, Ending					<u>\$ 1,108,228</u>	<u>\$ 1,519,021</u>	<u>\$ 2,627,249</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUNDS DESCRIPTION

GENERAL FUND

To account for resources traditionally associated with governments, which are not required to be accounted for in another fund.

TOWN OF CHENEYVILLE, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	GENERAL FUND
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 33,676
Cash - Restricted	137
Receivables, net	13,539
Due from Other Governmental Units	17,557
Prepaid Assets	1,200
Due From Other Funds	265,780
	<hr/>
TOTAL ASSETS	\$ 331,889
	<hr/>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts Payables	\$ 12,922
Accrued Salaries Payable	-
Accrued Payroll Deductions	2,163
Due to Other Funds	1,713
Total Liabilities	<hr/> 16,798
Fund Balance	
Restricted	137
Unassigned	314,954
Total Fund Balance	<hr/> 315,091
	<hr/>
TOTAL LIABILITIES AND AND FUND BALANCES	\$ 331,889
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The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Total fund balances for governmental funds at June 30, 2014			\$	315,091
Total net assets reported for governmental activities in the statement of net assets is different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:				
Land	\$	27,906		
Depreciable assets, net of accumulated depreciation		<u>765,231</u>		<u>793,137</u>
Net Position of Governmental Activities			\$	<u><u>1,108,228</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	GENERAL FUND
REVENUES	
Property Taxes	\$ 11,806
Sales and Other Taxes	245,911
Interest	26
Licenses and Permits	24,656
Franchise Fees	26,917
Rent	9,885
Donations	31,728
Fines	218,641
Garbage Collection Fees	49,707
Grant Revenue	12,000
Miscellaneous	10,916
Total Revenues	<u>642,193</u>
EXPENDITURES	
General Government	109,552
Police Protection	201,629
Streets and Sanitation	169,181
Recreation	1,650
Capital Outlays	80,457
Total Expenditures	<u>562,469</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	79,724
FUND BALANCE, BEGINNING	<u>235,367</u>
FUND BALANCE, ENDING	<u><u>\$ 315,091</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

RECONCILIATION OF THE REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED
JUNE 30, 2014

Net change in fund balances of Governmental Funds	\$	79,724
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$	80,457	
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Depreciation expense for the year ended June 30, 2014	(66,820)		13,637
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	(66,820)		13,637
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Change in Net Position of Governmental Activities	\$	93,361
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	\$	93,361
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The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	SEWER SYSTEM	WATER SYSTEM	TOTAL
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 10,483	\$ 11,442	\$ 21,925
Receivables, Net	13,877	23,928	37,805
Due from Other Funds	14,276	1,713	15,989
Total Current Assets	38,636	37,083	75,719
RESTRICTED ASSETS			
Cash and Cash Equivalents	-	32,992	32,992
Investments	-	83,008	83,008
Total Restricted Assets	-	116,000	116,000
NONCURRENT ASSETS			
Nondepreciable Capital Assets	36,075	9,248	45,323
Depreciable Capital Assets	3,498,929	2,830,618	6,329,547
Accumulated Depreciation	(2,325,612)	(1,425,802)	(3,751,414)
Total Noncurrent Assets	1,209,392	1,414,064	2,623,456
TOTAL ASSETS	1,248,028	1,567,147	2,815,175
LIABILITIES			
CURRENT LIABILITIES			
Accounts and Other Payables	9,464	9,791	19,255
Accrued Salaries Payable	-	-	-
Due to Other Funds	61,971	218,086	280,057
Total Current Liabilities	71,435	227,877	299,312
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS			
Accrued Interest Payable	-	834	834
Customer's Deposits Payable	-	58,940	58,940
Current Portion of Long-Term Debt	-	18,852	18,852
Total Current Liabilities Payable from Restricted Assets	-	78,626	78,626
NONCURRENT LIABILITIES			
Long-Term Debt	-	918,216	918,216
Total Liabilities	71,435	1,224,719	1,296,154
NET POSITION			
Investment in Capital Assets, Net of Related Debt	1,209,392	476,996	1,686,388
Restricted for Debt Service	-	937,068	937,068
Unrestricted	(32,799)	(1,071,636)	(1,104,435)
NET POSITION	\$ 1,176,593	\$ 342,428	\$ 1,519,021

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	SEWER SYSTEM	WATER SYSTEM	TOTAL
OPERATING REVENUES			
Charges for Services	\$ 94,191	\$ 173,624	\$ 267,815
OPERATING EXPENSES			
Salaries	26,966	26,966	53,932
Payroll Taxes	2,602	2,602	5,204
Chemicals	2,364	2,681	5,045
Depreciation	118,598	104,745	223,343
Dues and Subscriptions	160	886	1,046
Environmental Fees	-	-	-
Equipment Lease	211	211	422
Equipment Repair	-	148	148
Insurance	4,656	6,946	11,602
Lab Fees	1,100	-	1,100
Legal and Auditing	750	750	1,500
Materials	27	4,642	4,669
Miscellaneous	-	144	144
Office Supplies and Postage	1,410	4,457	5,867
Outside Services	30,916	30,834	61,750
Repairs and Maintenance	6,168	2,585	8,753
Supplies	432	1,534	1,966
Telephone	1,538	2,642	4,180
Travel and Workshops	-	3,101	3,101
Truck Expense	2,848	4,262	7,110
Uniforms	235	142	377
Utilities	26,876	10,452	37,328
Total Operating Expenses	<u>227,857</u>	<u>210,730</u>	<u>438,587</u>
OPERATING INCOME (LOSS)	(133,666)	(37,106)	(170,772)
NONOPERATING REVENUES (EXPENSES)			
Interest Income	-	79	79
Miscellaneous	-	-	-
Grant Funds	-	-	-
Interest Expense	-	(43,878)	79
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>(43,799)</u>	<u>158</u>
CHANGE IN NET POSITION	(133,666)	(80,905)	(214,571)
NET POSITION, BEGINNING	<u>1,310,259</u>	<u>423,333</u>	<u>1,733,592</u>
NET POSITION, ENDINNING	<u>\$ 1,176,593</u>	<u>\$ 342,428</u>	<u>\$ 1,519,021</u>

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	SEWER SYSTEM	WATER SYSTEM	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	\$ 92,358	\$ 176,862	\$ 269,220
Cash Payments to Suppliers	(89,030)	(77,450)	(166,480)
Cash Payments to Employees	(26,966)	(26,966)	(53,932)
Net Cash Provided by Operating Activities	(23,638)	72,446	48,808
CASH FLOWS FROM NONCAPITAL FINANCING FINANCING ACTIVITIES:			
Loans (to)/from Other Funds	35,097	5,755	40,852
Net Cash Provided from Noncapital Activities	35,097	5,755	40,852
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Net Change in Meter Deposits	-	2,024	2,024
Acquisition of Assets	(2,196)	-	(2,196)
Retirement of Debt	-	(18,019)	(18,019)
Interest Paid on Debt	-	(43,894)	(43,894)
Net Cash Used for Capital and Related Financing Activities	(2,196)	(59,889)	(62,085)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase)/Decrease in Investments	-	(5,699)	(5,699)
Interest from Investments	-	79	79
Net Cash Flows from Investing Activities	-	(5,620)	(5,620)
Net Increase (Decrease) in Cash and Cash Equivalents	9,263	12,692	21,955
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,220	31,742	32,962
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 10,483	\$ 44,434	\$ 54,917

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	SEWER SYSTEM	WATER SYSTEM	TOTAL
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Revenue	\$ (133,666)	\$ (37,106)	\$ (170,772)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Depreciation	118,598	104,745	223,343
CHANGES IN ASSETS AND LIABILITIES			
(Increase) Decrease in:			
Accounts Receivable	(1,833)	3,238	1,405
Increase (Decrease) in:			
Accounts Payable	(6,737)	1,569	(5,168)
Accrued Salaries Payable	-	-	-
Total Adjustments	110,028	109,552	219,580
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (23,638)</u>	<u>\$ 72,446</u>	<u>\$ 48,808</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO BALANCE SHEET			
Cash and Cash Equivalents, Beginning			
Cash - Unrestricted	1,220	1,215	2,435
Cash - Restricted	-	30,527	30,527
Total Cash and Cash Equivalents	1,220	31,742	32,962
Cash and Cash Equivalents, Ending			
Cash - Unrestricted	10,483	11,442	21,925
Cash - Restricted	-	32,992	32,992
Total Cash and Cash Equivalents	10,483	44,434	54,917
NET INCREASE (DECREASE)	<u>\$ 9,263</u>	<u>\$ 12,692</u>	<u>\$ 21,955</u>

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

NOTE A Summary Of Accounting Policies

The Town of Cheneyville was incorporated in 1860 and is operated under the provision of the Lawrson Act. The Town operates under a Mayor and a Board of Aldermen, which consists of five members. Services provided to the citizens of Cheneyville include, but are not limited to public safety (police protection), streets, garbage and debris removal, cultural – recreation, public improvements, planning, zoning and general administrative services.

The accounting and reporting policies of the Town of Cheneyville conform to generally accepted accounting principles as applicable to governmental units. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Some of the Town's more significant accounting policies are described as follows:

The Reporting Entity

Governmental Accounting Standards Board Statement 14 established criteria for determining which component units should be included within the reporting entity. Under provisions of this Statement, the municipality is considered a primary government, since it is legally separate and is independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue bonded debt.

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categories activities as either governmental activities or business-type activities, which are described as follows:

Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.

Business-type activities rely on fees and charges for support and operates in a manner similar to private sector enterprises. Since proprietary funds are operated in a manner similar to business enterprises, these funds follow certain pronouncements that are developed by the Financial Accounting Standards Board (FASB) for business enterprises. However, the Town only applies those FASB pronouncements that were issued on or before November 30, 1989.

The government-wide and fund financial statements present the Town's financial position and results of operations from differing perspectives, which are described as follows:

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(CONTINUED)

Government-Wide Financial Statements (GWFS)

The statement of activities presents a comparison between direct expenses and program revenues of the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and business-type (enterprise) funds. Major individual funds are reported as separate columns in the fund financial statements. The Town's major funds are described as follows:

Major Governmental Funds

General Fund-

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Major Business-Type Fund

Sewer System-

The sewer system is used to account for the operation of the Town's sewer system, which is supported by charging users.

Water System-

The water system fund is to account for the operation of the Town's water system, which is supported by charging users.

Business-Type funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the funds ongoing operations. Principal operating revenues are charges to customers for sewer and water service.

Measurements Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurements focus applied.

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(CONTINUED)

Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spend able financial resources during a given period. These funds balance as their measure of available spend able financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or long term) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlays) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Budgets

The following procedures are followed in establishing budgets for the Town:

1. The mayor and town clerk prepare a proposed budget.

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(CONTINUED)

2. The fact that the proposed budget is available for inspection at the Town Hall is advertised in the official newspaper of the Town. The advertisement also notifies the citizens the date, time and location of a public hearing to be held prior to approving the budget for the ensuing fiscal year.
3. A public hearing is held on the proposed budget is held at least ten days after publishing the notice.
4. After holding a public hearing and addressing any concerns regarding the proposed budget, the Town council votes to approve the proposed budget. The budget is adopted through passage of an ordinance prior to June 30th.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Town Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budget for the General Fund is adopted on basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Town Council.

Cash and Cash Equivalents

For purpose of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits and highly liquid investments maturing in three months or less.

For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. When the transaction occurs without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as revenue by the recipient fund and as an expense or expenditure by the providing fund. If the transfer is expected to be repaid, interfund receivables (due from) and payables (due to) are recorded.

Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and intergovernmental payments.

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(CONTINUED)

Business-type activities report customer's utility service receivables as the major receivable. Uncollectible utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

Capital Assets

Capital assets, which include property, plant, equipment, and infra-structure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Capital assets are depreciated using the straight-line method and estimated useful lives of 3 to 50 years. Useful lives are selected based on the expected resilience of each capital asset.

Restricted Assets

Restricted assets include cash and interest-bearing deposits that are legally restricted as to their use by various contractual obligations, including grant agreements and bond covenants.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of capital lease obligations.

Long-term debt, for governmental funds, is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

Each employee may accumulate vacation and sick leave per annum. The number of days accumulated per year depends upon holiday and weekend time worked by the employees. Unused vacation and sick-pay is lost at the end of each calendar year. The Town determines the accrual for compensated absences, which meet the following criteria:

1. The Town's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(CONTINUED)

2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria the Town's liability at June 30, 2014 is considered immaterial in relation to the financial statements.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified a reserved and unreserved. Proprietary fund equity is classified the same as in the government-wide statements.

Investments

The Town may invest in U. S. Government Securities, Certificates of Deposit, Passbooks, and other available bank investments provided that approved securities are pledged to secure those funds on deposit in an amount equal to the amount of those funds, including FDIC insurance.

Investments are recorded at cost.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(CONTINUED)

NOTE B Cash, Interest Bearing Deposits and Investments

At June 30, 2014 cash totaled \$86,768 per the general ledger and \$108,466 per bank balances. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2014 the Town's accounts were adequately secured from risk by FDIC insurance.

NOTE C Investments

The Town had restricted investments amounting to \$83,008 at June 30, 2014 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. Only local government entities having contracted to participate in LAMP have an investment interest in it pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools.

Credit Risk: LAMP is rated AAAM by Standard & Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, by not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397days. The WAM for LAMP's total investments is NUMBER (from LAMP's monthly Statement of Net Assets) as of DATE.

Foreign currency risk: Not applicable to 2a7-like pools.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(CONTINUED)

NOTE D Ad Valorem Taxes

The Town collects property tax on assessed values of property within its corporate limits. The taxes attach as an enforceable lien as of January 1 of each year. For the year ended June 30, 2014, taxes of 8.4 mills were levied on property with assessed valuations totaling \$1,516,154 and were dedicated for general maintenance.

NOTE E Receivables

Receivables at June 30, 2014 consisted of the following:

	Governmental Activities	Business-Type Activities
Charges for services, net	\$ 7,567	\$ 37,805
Franchise Fees	5,972	-
Total Receivables, Net	<u>\$ 13,539</u>	<u>\$ 37,805</u>
<u>Intergovernmental</u>		
Sales Taxes	\$ 17,322	\$ -
State of Louisiana - Beer Tax	235	-
Total Intergovernmental	<u>\$ 17,557</u>	<u>\$ -</u>

NOTE F Restricted Assets

The following details the description and amount of all restricted assets as recorded by the Town:

	General Fund	Water System Fund	Total
<u>Restricted Cash</u>			
Grant Account	\$ 137	\$ -	\$ 137
Meter Deposit Fund	-	32,992	32,992
Total Restricted Cash	<u>\$ 137</u>	<u>\$ 32,992</u>	<u>\$ 33,129</u>
<u>Restricted Investments</u>			
Meter Deposit	\$ -	\$ 23,069	\$ 23,069
Reserve Account	-	31,277	31,277
Depreciation and Contingency	-	28,662	28,662
Total Restricted Investments	<u>\$ -</u>	<u>\$ 83,008</u>	<u>\$ 83,008</u>

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(CONTINUED)

NOTE G Capital Assets

Capital assets for the year ended June 30, 2014 is as follows:

Governmental Activities	Beginning Balance	Additions	Disposals	Ending Balance
<u>Nondepreciable Capital Assets</u>				
Land	\$ 27,906	\$ -	\$ -	\$ 27,906
<u>Depreciable Capital Assets</u>				
Buildings	264,727	-	-	264,727
Improvements Other Than Buildings	755,310	-	-	755,310
Office Furniture & Equipment	41,974	519	-	42,493
Other Equipment	335,680	18,260	-	353,940
Vehicles	86,613	61,678	-	148,291
Totals	1,484,304	80,457	-	1,564,761
Less Accumulated Depreciation	(732,710)	(66,820)	-	(799,530)
Totals	751,594	13,637	-	765,231
Total Governmental Activities	<u>\$ 779,500</u>	<u>\$ 13,637</u>	<u>\$ -</u>	<u>\$ 793,137</u>
<u>Business-Type Activities</u>				
<u>Nondepreciable Capital Assets</u>				
Land	\$ 45,323	\$ -	\$ -	\$ 45,323
<u>Depreciable Capital Assets</u>				
Buildings	3,159	-	-	3,159
Improvements Other Than Buildings	406,542	-	-	406,542
Equipment	355,278	2,195	-	357,473
Distrib. System	5,527,450	-	-	5,527,450
Vehicles	34,923	-	-	34,923
Totals	6,327,352	2,195	-	6,329,547
Less Accumulated Depreciation	(3,528,071)	(223,343)	-	(3,751,414)
Totals	2,799,281	(221,148)	-	2,578,133
Total Business-Type Activities	<u>\$ 2,844,604</u>	<u>\$ (221,148)</u>	<u>\$ -</u>	<u>\$ 2,623,456</u>

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014
(CONTINUED)

Depreciation expense charged to governmental activities follows:

	Governmental Activities	Business-Type Activities
General Government	\$ 7,547	\$ -
Police Protection	6,677	-
Streets and Sanitation	50,270	-
Recreation	2,326	-
Sewer System	-	118,598
Water System	-	104,745
Total Depreciation Expense	<u>\$ 66,820</u>	<u>\$ 223,343</u>

NOTE H Interfund Balances

Interfund receivables and payables are as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 265,780	\$ 1,713
Enterprise Funds	15,989	280,056
Totals	<u>\$ 281,769</u>	<u>\$ 281,769</u>

NOTE I Changes in General Long-Term Debt

The following is a summary of bond transactions of the Town for the year ended June 30, 2014: Bonds payable at June 30, 2014 are comprised of the following individual issues:

	Water Revenue Bonds 1993	Water Revenue Bonds 2004	Total
Bonds Payable, June 30, 2013	\$ 179,836	\$ 775,251	\$ 955,087
Bonds Retired	(6,325)	(11,694)	(18,019)
Bonds Payable, June 30, 2014	<u>\$ 173,511</u>	<u>\$ 763,557</u>	<u>\$ 937,068</u>

Water Revenue Bonds:

\$256,000 of Water Revenue Bonds dated June 23, 1993, due in monthly serial installments of \$1,300 through October 2030; interest on this issue is 5.25 percent \$173,511

The water revenue bonds described above were issued in connection with the construction of a water well, which was completed in 1993. The bond issue is secured by a pledge of water revenues of the Town.

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(CONTINUED)

Water Revenue Bonds:

\$850,000 of Water Revenue Bonds dated September 13, 2004, due in monthly installments of \$3,859 through July 2044; interest on this issue is 4.5 percent

\$763,557

The water revenue bonds above were issued for the purpose of paying a portion of the cost of constructing and acquiring improvements and extensions to the waterworks system, including appurtenant equipment, accessories and property, both personal and real, and discharging the Issuer's Bond Anticipation Notes, and paying the cost of insurance. The bond issue is secured by a pledge of income and revenues of the System, after provision has been made for payment of all reasonable and necessary expenses of operating and maintaining the System. Interest cost incurred in the Water Fund for the year ended June 30, 2013 was \$45,696.

The annual requirements to amortize all debt outstanding as of June 30, 2013, including interest payments are as follows:

Water Revenue Bonds - 1993

Year Ending June 30,	Interest	Principal	Total
2015	8,951	6,655	15,606
2016	8,593	7,013	15,606
2017	8,216	7,390	15,606
2018	7,819	7,787	15,606
2019	7,399	8,206	15,605
2020-2024	29,883	48,145	78,028
2025-2029	15,466	62,562	78,028
2030-2031	1,240	25,753	26,993
Total	<u>\$ 87,567</u>	<u>\$ 173,511</u>	<u>\$ 261,078</u>

Water Revenue Bonds - 2004

Year Ending June 30,	Interest	Principal	Ending Balance
2015	\$ 34,111	\$ 12,197	\$ 46,308
2016	33,550	12,758	46,308
2017	32,964	13,344	46,308
2018	32,351	13,957	46,308
2019	31,710	14,598	46,308
2020-2024	147,852	83,688	231,540
2025-2029	126,780	104,760	231,540
2030-2034	100,402	131,138	231,540
2035-2039	67,382	164,158	231,540
2040-2044	26,048	205,492	231,540
2045	28	7,467	7,495
Totals	<u>\$ 633,178</u>	<u>\$ 763,557</u>	<u>\$ 1,396,735</u>

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(CONTINUED)

There are a number of limitations and restrictions contained in the various bond indentures. The following is a summary of the major restrictions in the use of funds as required by the bond indentures.

1. FLOW OF FUNDS: RESTRICTIONS ON USE – WATER REVENUE BONDS - 1993

The revenues derived from the water user fees shall be allocated as follows:

- a) Each month, beginning on July 23, 1995, and each successive 23rd of the month an amount equal to \$1,300.46 shall be paid to Farmer's Home Administration in payment of principal and interest. The installments of principal and interest may be prepaid at any time.
- b) Each month, \$66 is required to be paid monthly into a separate fund entitled the "Revenue Bond Reserve Fund" until \$15,606 has been accumulated therein.
- c) Also each month, \$70 shall be transferred into a separate bank account entitled "Depreciation and Contingency Fund". Money in this fund may be used to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the water system. The monies may also be used to pay the principal and interest on the bonds if there are not sufficient funds in the other bond funds.

2. FLOW OF FUNDS: RESTRICTIONS ON USE – WATER REVENUE BONDS – 2004

- a) Each month, beginning on September 23, 2005, and each successive 23rd of the month an amount equal to \$3,859 shall be paid to Farmer's Home Administration in payment of principal and interest. The installments of principal and interest may be prepaid at any time.
- b) Each month, \$192 is required to be paid monthly into a separate fund entitled the "Revenue Bond Reserve Fund" until \$46,308 has been accumulated therein. The Reserve Fund is solely for the purpose of paying the principal of and the interest on bonds payable from the Debt Service Fund as to which there would otherwise be default.
- c) Also each month, \$192 shall be transferred into a separate bank account entitled "Depreciation and Contingency Fund" until \$61,913 has been accumulated. After \$61,913 has been accumulated the payments increase to \$386. The Contingencies Fund is established to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the System. The funds may also be used to pay the principal and interest on the bonds, the outstanding Parity Bonds and any additional Parity Bonds, for payment of which there is not sufficient money in the Debt Service or the Reserve Fund.

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(CONTINUED)

NOTE J Compliance With Proprietary Bond Covenants

- A. List of Elected Officials with Pertinent Information Required By the Bond Covenants as of June 30, 2014:

<u>Office Held</u>	<u>Address</u>	<u>Phone Number</u>	<u>Term of Office</u>	<u>Compensation</u>
Mayor				
Derrick Johnson	505 Main Street	318-229-8947	Four Years	7,500
Aldermen				
Ollie Crittle	P. O. Box 113	318-279-2408	Four Years	3,000
Mickey Allen	P. O. Box 24	318-279-2461	Four Years	2,100
Charles Allen	P. O. Box 492	318-264-9723	Four Years	2,100
Charles Collins	P. O. Box 27	318-279-2682	Four Years	2,100
Rodney White	P. O. Box 477	318-279-2619	Four Years	2,100

- B. Water System Users At June 30, 2014

	<u>Residents</u>	<u>Commercial</u>	<u>Total</u>
Utility Customers	<u>414</u>	<u>30</u>	<u>444</u>

- C. Current Rates

Water rates in effect at June 30, 2012 for residential users are \$13.95 for the first 2,000 gallons used and \$2.32 per 1,000 gallons thereafter for in Town customers and \$24.80 for the first 2,000 gallons used and \$2.32 per 1,000 gallons thereafter for out of Town customers. Commercial in Town user rates are \$32.55 for the first 5,000 gallons and \$2.32 per 1,000 gallons thereafter for in Town customers and \$48.05 for the first 5,000 gallons and \$3.87 per 1,000 gallons thereafter for out of Town customers.

NOTE K Retirement Commitments

The Town of Cheneyville has no retirement commitments or pension plan for its employees.

NOTE L Litigation

At June 30, 2014 the Town was involved in legal proceedings, which normally occur in government operations. These legal proceedings are not expected to have a material adverse impact on the Town. However, if the Town were to lose, the Town's liability is not expected to exceed the amount of its general liability coverage.

NOTE M Expenditures Over Appropriations

There were no funds of the Town of Cheneyville, Louisiana, at June 30, 2014, which had expenditures that exceeded appropriations before operating transfers in.

However, general fund expenditures exceeded budgeted expenditures by 53%.

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(CONTINUED)

NOTE N Risk Management

The Town is exposed to risks of loss in the areas of theft, torts, property hazards, general and vehicle liability, errors and omissions, natural causes and workman's compensation. These risks are covered by commercial insurance coverage. All previous losses have not exceeded the insurance coverage.

NOTE O Reserved Retained Earnings

The water fund covenants require the Town to maintain cash reserves to be used only under special conditions. Since these funds are available only upon certain circumstances, these cash reserves are presented as restricted amounts.

NOTE P Deficit Equity Balances

There were no deficit equity balances in any of the Town of Cheneyville Funds at June 30, 2014.

NOTE Q Related and Third Party Activity

The Town of Cheneyville, Louisiana, was not involved in any related or third party transactions.

NOTE R Grant Funds

During the fiscal year ending June 30, 2014, the Town received the following grants.

	LCDBG Grant	LGAP Grant
Grant Revenues	\$ -	\$ 12,000
Grant Expenditures		
Street		
Four 2 Z Force Lawnmowers	-	12,000
Total Grant Expenditures	\$ -	\$ 12,000

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(CONTINUED)

NOTE S Segment Information for Enterprise Funds

The Town has two enterprise funds; one providing sewer services and the other one provides water services. Segment information for the year ended June 30, 2014 is as follows:

	Sewer Fund	Water Fund	Total Enterprise Funds
Operating Revenues	\$ 94,191	\$ 173,624	\$ 267,815
Operating Expense:			
Depreciation	118,598	104,745	223,343
Other	109,259	105,985	215,244
Total Operating Expenses	227,857	210,730	438,587
Operating Income (Loss)	(133,666)	(37,106)	(170,772)
Nonoperating Revenues (Expenses)			
Interest Income	-	79	79
Interest Expense	-	(43,878)	(43,878)
Total Nonoperating Revenues (Expenses)	-	(43,799)	(43,799)
Change in Net Assets	\$ (133,666)	\$ (80,905)	\$ (214,571)
Current Assets	\$ 38,636	\$ 37,083	\$ 75,719
Restricted Assets	-	116,000	116,000
Nondepreciable Capital Assets	36,075	9,248	45,323
Depreciable Capital Assets, net of deprn.	1,173,317	1,404,816	2,578,133
Total Assets	\$ 1,248,028	\$ 1,567,147	\$ 2,815,175
Current Liabilities	\$ 71,435	\$ 227,877	\$ 299,312
Current Liabilities Payable From			
Restricted Assets	-	78,626	78,626
Long-Term Debt	-	918,216	918,216
Investment in Capital Assets, Net of			
Related Debt	1,209,392	476,996	1,686,388
Restricted for Debt Service	-	937,068	937,068
Unrestricted (Deficit)	(32,799)	(1,071,636)	(1,104,435)
Total Net Assets	\$ 1,248,028	\$ 1,567,147	\$ 2,815,175
Net Working Capital	\$ (32,799)	\$ (190,794)	\$ (223,593)

REQUIRED
SUPPLEMENTARY INFORMATION

TOWN OF CHENEYVILLE, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2014

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 11,000	\$ 11,000	\$ 11,806	\$ 806
Sales and Other Taxes	165,500	165,500	245,911	80,411
Licenses and Permits	20,000	20,000	24,656	4,656
Franchise Fees	36,000	36,000	26,917	(9,083)
Interest	-	-	26	26
Rent	9,700	9,700	9,885	185
Donations	-	-	31,728	31,728
Fines	122,500	122,500	218,641	96,141
Garbage Collection Fees	54,700	54,700	49,707	(4,993)
Grant Revenue	-	-	12,000	12,000
Miscellaneous	3,000	3,000	10,916	7,916
Total Revenues	<u>422,400</u>	<u>422,400</u>	<u>642,193</u>	<u>219,793</u>
EXPENDITURES				
General Government	111,800	111,800	109,552	2,248
Police Protection	140,300	140,300	201,629	(61,329)
Streets	115,330	115,330	169,181	(53,851)
Recreation	-	-	1,650	(1,650)
Capital Outlays	-	-	80,457	(80,457)
Total Expenditures	<u>367,430</u>	<u>367,430</u>	<u>562,469</u>	<u>(195,039)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	54,970	54,970	79,724	24,754
FUND BALANCE, BEGINNING	<u>-</u>	<u>-</u>	<u>235,230</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 54,970</u>	<u>\$ 54,970</u>	<u>\$ 314,954</u>	<u>\$ 24,754</u>

OTHER
SUPPLEMENTARY INFORMATION

TOWN OF CHENEYVILLE, LOUISIANA
GENERAL FUND

BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
				Positive/(Negative)
GENERAL GOVERNMENT				
Salaries - Mayor and Aldermen	\$ 19,000	\$ 19,000	\$ 18,900	\$ 100
Salaries - Administrative	20,600	20,600	13,111	7,489
Payroll Taxes	1,600	1,600	1,231	369
Assessor's Fee	700	700	662	38
Building Maintenance	4,000	4,000	4,692	(692)
Coroner	2,000	2,000	800	1,200
Dues and Subscriptions	500	500	784	(284)
Equipment Lease	700	700	2,615	(1,915)
Insurance	15,000	15,000	7,617	7,383
Legal and Professional	16,700	16,700	18,697	(1,997)
Mayor's Expenditures	2,000	2,000	540	1,460
Miscellaneous	3,000	3,000	5,062	(2,062)
Office Equipment Maintenance	1,000	1,000	1,684	(684)
Office Supplies and Postage	5,000	5,000	5,165	(165)
Outside Services	3,000	3,000	2,654	346
Printing and Publishing	2,500	2,500	2,023	477
Telephone	4,000	4,000	3,183	817
Travel and Seminars	3,000	3,000	3,624	(624)
Founder's Day Celebration	-	-	2,819	(2,819)
Utilities	7,500	7,500	13,689	(6,189)
Total Governmental Expenditures	<u>\$ 111,800</u>	<u>\$ 111,800</u>	<u>\$ 109,552</u>	<u>\$ 2,248</u>
PUBLIC SAFETY				
POLICE PROTECTION				
Salaries	\$ 90,000	\$ 90,000	\$ 119,532	\$ (29,532)
Payroll Taxes	6,600	6,600	6,747	(147)
Animal Control	500	500	252	248
Car Maintenance and Fuel	18,000	18,000	31,160	(13,160)
Court Fees	-	-	1,169	(1,169)
Drug Enforcement	1,500	1,500	690	810
Dues	-	-	350	(350)
Equipment Lease	700	700	372	328
Equipment Maintenance	1,000	1,000	822	178
Insurance	8,000	8,000	24,877	(16,877)

(Continued)

TOWN OF CHENEYVILLE, LOUISIANA
GENERAL FUND

BUDGETARY COMPARISON SCHEDULE - EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2014
(CONTINUED)

	Budget		Actual	Variance With Final Budget Positive/(Negative)
	Original	Final		
POLICE PROTECTION - CONTINUED				
Miscellaneous	\$ 2,000	\$ 2,000	\$ 1,102	\$ 898
Office and Postage	1,800	1,800	1,527	273
Prisoner Expenditures	500	500	-	500
Radio Maintenance	-	-	1,800	(1,800)
Supplies	1,200	1,200	1,553	(353)
Telephone	5,000	5,000	5,293	(293)
Travel and Training	2,000	2,000	489	1,511
Uniforms	1,500	1,500	504	996
Utilities	-	-	3,390	(3,390)
Total Police Protection	<u>\$ 140,300</u>	<u>\$ 140,300</u>	<u>\$ 201,629</u>	<u>\$ (61,329)</u>
STREETS AND SANITATION				
Salaries	\$ 56,000	\$ 56,000	\$ 59,065	\$ (3,065)
Payroll Taxes	4,480	4,480	3,320	1,160
Equipment Repairs	2,000	2,000	346	1,654
Garbage Pickup and Debris Removal	12,000	12,000	9,404	2,596
Insurance	5,000	5,000	10,707	(5,707)
Materials and Supplies	3,000	3,000	5,064	(2,064)
Miscellaneous	1,000	1,000	135	865
Mowing	-	-	5,535	(5,535)
Street and Bridge Repairs	-	-	39,269	(39,269)
Telephone	350	350	0	350
Truck and Tractor Maintenance and Fuel	9,500	9,500	14,189	(4,689)
Utilities for Street Lighting	20,000	20,000	22,147	(2,147)
Uniforms	2,000	2,000	0	2,000
Total Street Expenditures	<u>\$ 115,330</u>	<u>\$ 115,330</u>	<u>\$ 169,181</u>	<u>\$ (53,851)</u>
RECREATION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,650</u>	<u>\$ 1,650</u>
CAPITAL OUTLAYS				
Police Protection	\$ -	\$ -	\$ 26,008	\$ 26,008
Streets	-	-	54,449	(54,449)
Total Capital Outlays	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,457</u>	<u>\$ (80,457)</u>
TOTAL EXPENDITURES	<u>\$ 367,430</u>	<u>\$ 367,430</u>	<u>\$ 562,469</u>	<u>\$ (195,637)</u>

COMPLIANCE AND INTERNAL CONTROL

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Member
Society of Louisiana CPA's

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Members
of the Town Council
Town of Cheneyville
Cheneyville, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the Town of Cheneyville, Louisiana, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued my report thereon dated December 30, 2014.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town of Cheneyville, Louisiana's internal control over financial reporting as a basis for designing my audit procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Cheneyville, Louisiana's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Town of Cheneyville, Louisiana's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I considered to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Cheneyville, Louisiana's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests did not disclose any instances of noncompliance or other matters that is required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Town Council and management, others within the organization and grant awarding agencies and the Legislative Auditor and is not intended to be and should not be used by anyone other than the specified parties. However, this report is a matter of public record and its distribution is not limited. Also, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in purple ink, reading "Roy K. Derbonne, Jr.", with a stylized flourish at the end.

Roy K. Derbonne, Jr.
Certified Public Accountant

Alexandria, Louisiana
December 30, 2014

TOWN OF CHENEYVILLE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2013

PART I – SUMMARY OF AUDITOR’S RESULTS

An unqualified opinion was issued on the financial statements of June 30, 2014.

The report on internal control did not identify any significant deficiencies or material weaknesses.

The results of the audit disclosed no instances of noncompliance that are considered to be material to the financial statements of the Town of Cheneyville, Louisiana.

The results of the audit did not disclose any instances of noncompliance with respect to compliance with laws, regulations, contracts, and grants, which is material to the financial statements.

PART II – FINDINGS RELATED TO THE FINANCIAL STATEMENTS, WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

None.

PART III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS REQUIRED TO BE REPORTED IN ACCORDANCE WITH OMB CIRCULAR A-133

None

TOWN OF CHENEYVILLE, LOUISIANA
SCHEDULE OF CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

Description of Finding	Corrective Action Taken	Corrective Action Planned
There were no current year findings.		

TOWN OF CHENEYVILLE, LOUISIANA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

<u>Description of Finding</u>	<u>Corrective Action Taken</u>
Louisiana Revised Statute 24:513 requires the Town's audit be completed and filed with the Legislative Auditor's Office by the end of the six month following the close of the entity's fiscal year. The audit was delayed due to an unexpected illness to the auditor, his family and his staff, which resulted in an inadequate amount of time available to complete the audit in a timely manner.	Yes